

AGREEMENT ON ENCOURAGEMENT OF INVESTMENT
BETWEEN THE UNITED STATES OF AMERICA
AND THE PALESTINE LIBERATION ORGANIZATION
FOR THE BENEFIT OF THE PALESTINIAN AUTHORITY
PURSUANT TO THE AGREEMENT ON THE
GAZA STRIP AND THE JERICHO AREA

REPRESENTATIVES OF THE UNITED STATES OF AMERICA AND THE
PALESTINE LIBERATION ORGANIZATION ("PLO"), THE LATTER ACTING
FOR THE BENEFIT OF THE PALESTINIAN AUTHORITY PURSUANT TO THE
AGREEMENT ON THE GAZA STRIP AND THE JERICHO AREA SIGNED IN
CAIRO ON MAY 4, 1994 (THE GAZA-JERICHO AGREEMENT),

DESIRING to promote economic development; and

RECOGNIZING that this objective can be promoted through
investment support provided by the Overseas Private Investment
Corporation ("OPIC"), a development institution and an agency
of the United States of America, in the form of investment
insurance and reinsurance, debt and equity investments and
investment guaranties;

HAVE AGREED as follows:

ARTICLE 1

As used in this agreement, the following terms have the
meanings herein provided. The term "Area" means the areas for
which arrangements are being established for Palestinian
interim self-government, as set forth in Articles I and IV of
the Declaration of Principles on Interim Self-Government
Arrangements, signed in Washington, D.C. on September 13, 1993
(the Declaration of Principles). The term "Investment Support"
refers to any debt or equity investment, any investment
guaranty and any investment insurance or reinsurance which is
provided by the issuer in connection with a project in the
Area. The term "Issuer" refers to OPIC and any successor
agency of the United States of America, and any agent of
either. The term "Taxes" means all present and future taxes,
levies, imposts, stamps, duties and charges, and all
liabilities with respect thereto, imposed by the Palestinian
Authority or its successors.

ARH

ARTICLE 2

(a) The Issuer shall not be subject to regulation under any laws applicable to insurance or financial organizations doing business in the Area.

(b) All operations and activities undertaken by the Issuer in connection with any Investment Support for projects in the Area, and all payments, whether of interest, principal, fees, dividends, premiums, or the proceeds from the liquidation of assets or from any investment insurance or reinsurance or of any other nature, that are made, received or guaranteed by the Issuer in connection with any Investment Support, shall be exempt from Taxes. The Issuer shall not be subject to any Taxes in connection with any transfer, succession or other acquisition which occurs pursuant to Paragraph (c) of this Article or Article 3(a) of this Agreement. Any project in connection with which Investment Support has been provided shall be accorded treatment no less favorable with respect to Taxes than that accorded to projects benefiting from the investment support programs of any other foreign national or multilateral development institution which operates in the Area.

(c) If the Issuer makes a payment to any person or entity, or exercises its rights as a creditor or subrogee in connection with any Investment Support, the transfer to, or acquisition by, the Issuer of any cash, accounts, credits, instruments or other assets in connection with such payment or exercise as well as the succession of the Issuer to any right, title, claim, privilege or cause of action existing, or which may arise, in connection therewith, shall be recognized as having legal and binding effect.

(d) With respect to any interests transferred to the Issuer or any interests to which the Issuer succeeds as contemplated in this Article, the Issuer shall assert no greater rights than those of the person or entity from whom such interests were received, provided that nothing in this Agreement shall limit the right of the Government of the United States of America to assert a claim under international law in its sovereign capacity, as distinct from any rights it may have as the Issuer pursuant to this Agreement.

AP
R.P.H.

ARTICLE 3

(a) Amounts in the currency or currencies in lawful use in the Area, including cash, accounts, credits, instruments or otherwise, acquired by the issuer upon making a payment, or upon the exercise of its rights as a creditor, in connection with any Investment Support provided by the Issuer for a project in the Area, shall be accorded treatment in the area no less favorable as to use and conversion than the treatment to which such funds would have been entitled in the hands of the person or entity from which the Issuer acquired such amounts.

(b) Such currency and credits may be transferred by the issuer to any person or entity and upon such transfer shall be freely available for use by such person or entity in the Area in accordance with applicable laws.

ARTICLE 4

(a) The Issuer and the Palestinian Authority or its successor shall consult promptly as to any question that may arise relating to the interpretation or application of this Agreement or out of any project or activity for which Investment Support has been provided, whether before or after any transfer or assignment of rights or assets pursuant to Article 2 or Article 3. Either the Issuer or the Palestinian Authority or its successor may initiate such consultations. During these consultations the Issuer and the Palestinian Authority or its successor shall endeavor to resolve any such questions amicably.

(b) Should the Issuer and the Palestinian Authority or its successor be unable to resolve any question through the consultations described in paragraph (A), they shall consider, as an alternative to invocation of other remedies, but without derogating from any available remedy, the use of other mechanisms, including third-party fact finding, mediation, conciliation or arbitration, utilizing such terms of reference and procedures as may be agreed upon by the Issuer and the Palestinian Authority or its successor as appropriate to the question involved.

R.R.H.

ARTICLE 5

(a) The PLO shall ensure that the Palestinian Authority acts in compliance with the terms of this Agreement.

(b) The PLO shall seek to include in the Agreement establishing the Palestinian Council pursuant to the Declaration of Principles a provision continuing the provisions of this agreement in force and effect throughout the interim period provided for in the Declaration of Principles.

ARTICLE 6

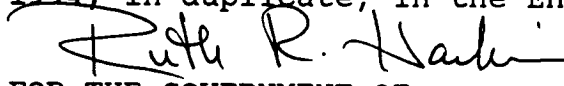
(a) This Agreement shall enter into force when signed by both Parties.


(b) This Agreement shall be carried out consistent with the framework of the Declaration of Principles and its current and future implementing agreements to the full extent the Palestinian Authority and its successors exercise authority relevant to this Agreement in the Area.

(c) This Agreement shall continue in force until the end of the interim period provided for in the Declaration of Principles unless terminated by the Issuer by providing written notice to the Palestinian Authority or its successor. After expiration or termination of this Agreement its provisions shall, with respect to Investment Support provided while the Agreement was in force, remain in force so long as such Investment Support remains outstanding, but in no case longer than twenty years after expiration of the Agreement.

IN WITNESS WHEREOF the undersigned, being duly authorized, have signed this Agreement.

DONE at Washington on the 12 th day of September, 1994, and at Gaza on the 11 th day of August, 1994, in duplicate, in the English language.


FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:


FOR THE PLO
FOR THE BENEFIT OF THE
PALESTINIAN AUTHORITY PURSUANT TO
THE GAZA-JERICHO AGREEMENT:

AGREEMENT ON ENCOURAGEMENT OF INVESTMENT
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE STATE OF ISRAEL

REPRESENTATIVES OF THE UNITED STATES OF AMERICA AND OF
THE STATE OF ISRAEL

DESIRING to promote Palestinian economic development in support of the Declaration of Principles on Interim Self-Government Arrangements between Israel and the PLO, signed in Washington, D.C. on September 13, 1993 (the Declaration of Principles); and

RECOGNIZING that this objective can be promoted through investment support provided by the Overseas Private Investment Corporation ("OPIC"), a development institution and an agency of the United States of America, in the form of investment insurance and reinsurance, debt and equity investments and investment guaranties;

HAVE AGREED as follows:

ARTICLE 1

As used in this Agreement, the following terms have the meanings herein provided. The term "Area" means the areas for which arrangements are being established for Palestinian interim self-government, as set forth in Articles I and IV of the Declaration of Principles. The term "Investment Support" refers to any debt or equity investment, any investment guaranty and any investment insurance or reinsurance which is provided by the Issuer in connection with a project in the Area. The term "Issuer" refers to OPIC and any successor agency of the United States of America, and any agent of either. The term "Taxes" means all present and future taxes, levies, imposts, stamps, duties and charges, and all liabilities with respect thereto, imposed by the Government of the State of Israel (including the Israeli military government in the Area or its Civil Administration).

ARTICLE 2

(a) The Issuer shall not be subject to regulation under any laws applicable to insurance or financial organizations doing business in the Area.

(b) All operations and activities undertaken by the Issuer in connection with any Investment Support for projects in the Area, and all payments, whether of interest, principal, fees, dividends, premiums, or the proceeds from the liquidation of assets or from any investment insurance or reinsurance or of any other nature, that are made, received or guaranteed by the Issuer in connection with any Investment Support, shall be exempt from Taxes. The Issuer shall not be subject to any Taxes in connection with any transfer, succession or other acquisition which occurs pursuant to Paragraph (c) of this Article or Article 3(a) of this Agreement. Any project in connection with which Investment Support has been provided shall be accorded treatment no less favorable with respect to Taxes than that accorded to projects benefiting from the investment support programs of any other national or multilateral development institution which operates in the Area.

(c) If the Issuer makes a payment to any person or entity, or exercises its rights as a creditor or subrogee, in connection with any Investment Support, the transfer to, or acquisition by, the Issuer of any cash, accounts, credits, instruments or other assets in connection with such payment or exercise, as well as the succession of the Issuer to any right, title, claim, privilege or cause of action existing, or which may arise, in connection therewith, shall be recognized as having legal and binding effect.

(d) With respect to any interests transferred to the Issuer or any interests to which the Issuer succeeds as contemplated in this Article, the Issuer shall assert no greater rights than those of the person or entity from whom such interests were received, provided that nothing in this Agreement shall limit the right of the Government of the United States of America to assert a claim under international law in its sovereign capacity, as distinct from any rights it may have as the Issuer pursuant to this Agreement.

ARTICLE 3

(a) Amounts in the currency or currencies in lawful use in the Area, including cash, accounts, credits, instruments or otherwise, acquired by the Issuer upon making a payment, or upon the exercise of its rights as a creditor, in connection with any Investment Support provided by the Issuer for a project in the Area, shall be accorded treatment in the Area no less favorable as to use and conversion than the treatment to which such funds would have been entitled in the hands of the person or entity from which the Issuer acquired such amounts.

(b) Such currency and credits may be transferred by the Issuer to any person or entity and upon such transfer shall be freely available for use by such person or entity in the Area in accordance with applicable laws.

ARTICLE 4

(a) The Issuer and the Government of Israel shall consult promptly as to any question that may arise relating to the interpretation or application of this Agreement or out of any project or activity for which Investment Support has been provided, whether before or after any transfer or assignment of rights or assets pursuant to Article 2 or Article 3. Either the Issuer or the Government of Israel may initiate such consultations. During these consultations the Issuer and the Government of Israel shall endeavor to resolve any such questions amicably.

(b) Should the Issuer and the Government of Israel be unable to resolve any question through the consultations described in paragraph (a), they shall consider, as an alternative to invocation of other remedies, but without derogating from any available remedy, the use of other mechanisms, including third-party fact finding, mediation, conciliation or arbitration, utilizing such terms of reference and procedures as may be agreed upon by the Issuer and the Government of Israel as appropriate to the question involved.

ARTICLE 5

The Government of the State of Israel shall agree in response to a request by the PLO to include in the Agreement establishing the Palestinian Council pursuant to the Declaration of Principles a provision continuing the provisions of this Agreement in force and effect throughout the interim period provided for in the Declaration of Principles.

ARTICLE 6

(a) This Agreement shall enter into force when signed by both Parties.

(b) This Agreement shall be carried out consistent with the framework of the Declaration of Principles and its current and future implementing agreements to the full extent Israel exercises authority relevant to this Agreement in the Area.

(c) This Agreement shall continue in force until the end of the interim period provided for in the Declaration of Principles, unless terminated by the Issuer by providing written notice to the Government of Israel. After expiration or termination of this Agreement, its provisions shall, with respect to Investment Support provided while the Agreement was in force, remain in force so long as such Investment Support remains outstanding, but in no case longer than twenty years after expiration of the Agreement.

IN WITNESS WHEREOF the undersigned, being duly authorized, have signed this Agreement.

DONE at Washington, on the 12 th day of September, 1994, in duplicate, in the English language.

FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:

Ruth R. Hanan

FOR THE GOVERNMENT OF
THE STATE OF ISRAEL:

*Yasser
Abuhm*